



Notice of Request for Proposal

SOLICITATION NO.: AD030034

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VENDOR: Vendor Name

OF
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State Procurement Office

100 N. 15th Ave

Suite 104

Phoenix, AZ 85007-3223

Solicitation Contact Person:

Mark Held
State Procurement Office
602 542-9134

Vendor:

VENDOR NAME
VENDOR ADDRESS 1
VENDOR ADDRESS 2
VENDOR CITY VENDOR STATE 00000-0000

Solicitation Issue Date: October 21, 2002

Vendor Contact: Vendor Contact

DESCRIPTION:

MARKET CONDUCT & MANAGED CARE EXAMINATION SERVICES

PROPOSAL DUE DATE:

JANUARY 08, 2003

AT 3:00 P.M. MST

Pre-Proposal Conference:

A Pre-Proposal Conference is scheduled for October 28, 2002 from
1:00 – 3:00 P.M. at:

Arizona State Capitol

Executive Tower Building

Grand Canyon Room (in the basement)

1700 West Washington

Phoenix, Arizona 85007

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the materials or services specified will be received by the State Procurement Office at 100 N. 15th Ave, Suite 104, Phoenix, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.

Proposals must be in the actual possession of the State on or prior to the time and date and at the location indicated above. Late proposals will not be considered.

Proposals must be submitted in a sealed envelope or package with the Solicitation number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing proposal are included in this notice.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.



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Offer and Acceptance

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OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name: _____

Federal Employer Identification No.:

Phone: _____

Fax: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ___is/___is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This contract shall henceforth be referred to as Contract No. _____.

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona

Awarded this _____ day of _____ 20____

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1. DEFINITIONS OF ADDITIONAL KEY WORDS USED IN THE RFP

- 1.1 **“Accountable Health Plan (AHP)”** means an entity that offers, issues or otherwise provides a health benefits plan and is approved by the director as an accountable health plan pursuant to A.R.S. § 20-2303.
- 1.2 **“Corrective Action Plan (CAP)”** means the plan developed by an examinee to identify steps the examinee will take to correct deficient areas recommended in the examination report.
- 1.3 **“Contractor”** means an offeror whose offer to provide services under this agreement has been accepted by the State.
- 1.4 **“En route”** An individual is en route when in travel status and traveling between the individual’s residence and the examination site, or between examinations sites, except it does not include commuting between an individual’s lodging and the examination site.
- 1.5 **“Examination”** means review of an examinee’s compliance with Arizona laws pertaining to the conduct of business.
- 1.6 **“Examinee”** includes an insurance company, HMDO, PDPO, AHP, HCSO or other entity examined by the State Agency.
- 1.7 **“Examination site”** means an office location of an examinee, the office of the State Agency, or another work location as assigned by the State Agency.
- 1.8 **“Examination Status Report”** means a completed and signed document in a form prescribed by the State Agency that indicates the name of the examinee, the start and estimated completion date of the examination, the percentage of completion of the examination field work, the percentage of completion of the report of examination, the hours expended on each phase of the examination, and a comparison of the actual examination time expended to date to the budgeted hours approved.
- 1.9 **“Examiner-In-Charge (EIC)”** means an individual responsible for on-site management of the examination, functioning as the coordinator between the examinee and the State Agency. The EIC is responsible for ensuring that examination work is completed in an efficient and effective manner.
- 1.10 **“GSA Maximum Lodging Rate”** means the effective rate prescribed for lodging expenses corresponding to the location of the examination site as promulgated as “Maximum Lodging Amount” in the Federal Register by the United States General Services Administration.
- 1.11 **“GSA M&I Rate”** means the effective rate prescribed for meals and incidental expenses corresponding to the location of the examination site as promulgated as “M&IE Rate” in the Federal Register by the United States General Services Administration.
- 1.12 **“Individual”** means an employee or subcontractor of the Contractor.
- 1.13 **“Health Care Service Organization (HCSO)”** means a health maintenance organization providing health care services to recipients in the State of Arizona.
- 1.14 **“Health Medical Dental Organization (HMDO)”** means a corporation organized under the laws of this state for the purpose of establishing, maintaining and operating nonprofit hospital service or medical or dental or optometric service plans, or a combination of such plans.
- 1.15 **“Prepaid Dental Plan Organization (PDPO)”** means any person who undertakes to conduct one or more prepaid dental plans providing only dental services.
- 1.16 **“State Agency”** means the Arizona Department of Insurance.



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- 1.17 “**Travel status**” means the period of assigned examination work
- 1.17.1 that is performed at an examination site that is in excess of 75 miles from the State Agency’s main administrative offices; and,
- 1.17.2 that is performed at an examination site that is in excess of 75 miles from the individual’s place of residence; and,
- 1.17.3 that will require at least one overnight stay; and, if applicable, either Paragraph 1.16.4 or Paragraph 1.16.5;
- 1.17.4 that, if the Contractor uses air travel, shall begin no more than one day prior to the commencement of, and shall end no more than one day after the conclusion of examination work at the examination site; or
- 1.17.5 that, if the Contractor uses ground transportation, shall consist of not more than the computed number of days prior to the commencement of, and shall end no more than the computed number of days subsequent to the conclusion of examination work at the examination site. The computed number of days shall be derived by dividing the number of miles from the State Agency’s main administrative office to the examination site by 400 miles.
- 1.18 “**Work week**” means a each week beginning at 12:00 a.m. Saturday and ending at 11:59 p.m. the following Friday.

2. INTRODUCTION AND BACKGROUND:

- 2.1 The purposes of this solicitation are: 1) to allow vendors providing services under the Insurance Exam and Analysis Services contract (AD000183) to propose services as specified in this solicitation; and 2) to enhance and expand the services currently available under contract AD000183 by permitting new vendors an opportunity to submit proposals for Market Conduct and Managed Care Examinations. Contract AD000183 and contracts awarded this solicitation will be available for use by the Arizona Department of Insurance.
- An Offeror may propose to provide services in one (1) or more of the service categories listed in the Scope of Work, #5 CONTRACTOR CLASSIFICATION AND QUALIFICATIONS.
- 2.2 This document constitutes a Request for Proposal (RFP) via competitive sealed proposals, from qualified independent contractors pursuant to Arizona Revised Statutes (A.R.S.) § 20-159 and § 20-156, to provide the Arizona Department of Insurance (hereinafter referred to as “State Agency”) with insurance examination services.
- 2.3 The State Agency utilizes the services of independent contractors to conduct examinations in accordance with A.R.S. § 20-159.
- 2.4 At the direction of the State Agency, the Contractor shall conduct one or more of the following examinations of insurance companies and other persons regulated by the State Agency.
- 2.4.1 **Market conduct examinations.** The State Agency is required by A.R.S. § 20-156(A) to examine the affairs, transactions, accounts, records and assets of each authorized examinee as often as deemed advisable. Market conduct examinations involve review of the marketing, advertising, underwriting, complaints, and claims activities of licensed insurers to determine compliance with Arizona laws and regulations. To perform such examinations, the State Agency is seeking
- 2.4.1.1 Associate Market Conduct Insurance Examiners,
- 2.4.1.2 Market Conduct Insurance Examiners,
- 2.4.1.3 Market Conduct Senior Examiners, and
- 2.4.1.4 Market Conduct Data Management Specialists



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- 2.4.2. **Health Care Service Organization (HCSO) examinations.** The State Agency is required by A.R.S. § 20-1058(A) to examine Health Care Service Organizations (HCSOs) and Health Medical Dental Organizations (HMDOs) (with regard to health maintenance organization operations, if any) to review their financial condition, ability to meet liabilities and compliance with the laws of this state affecting the conduct of business. An HCSO/HMDO examination involves review of the HCSO's/HMDO's quality improvement, utilization management, basic health care services, provider and member grievances, provider contracts, provider credentialing and recredentialing, network adequacy and development, member rights and responsibilities and member services to determine compliance with Arizona laws and regulations. To perform such examinations, the State Agency is seeking the services of
- 2.4.2.1 Senior Registered Nurses,
 - 2.4.2.2 Registered Nurses,
 - 2.4.2.3 Utilization Review Nurses,
 - 2.4.2.4 Pharmacists,
 - 2.4.2.5 Physicians, and
 - 2.4.2.6 HCSO Management/Administration Services
- 2.4.3 **Prepaid Dental Plan Organization (PDPO) examinations.** The State Agency is required by A.R.S. § 20-1008(A) to examine Prepaid Dental Plans (PDPOs) to review their financial condition, ability to meet liabilities and compliance with the laws of this state affecting the conduct of business. PDPO examinations involve review of PDPOs' quality improvement, provider and member grievances, provider contracts, provider credentialing and recredentialing, network adequacy and development, dental facility and treatment record review, member rights and responsibilities and member services to determine compliance with Arizona laws and regulations. To perform such examinations, the State Agency seeks the services of
- 2.4.3.1 Dentists; and,
 - 2.4.3.2 PDPO Management/Administration Services
- 2.4.4 **Timely Pay & Grievance examinations.** The State Agency may, pursuant to A.R.S. § 20-3102 (F), examine a health care insurer's internal system for resolving payment disputes and other contractual grievances with health care providers. Pursuant to A.R.S. § 20-156 (A), the State Agency may conduct "Timely Pay & Grievance" ("TP&G") examinations, which involve verifying that insurers are paying claims in a timely manner, have processes in place that assure timely claims payment, and have effective provider grievance processes as required by Arizona laws and regulations. To perform such examinations, the State Agency seeks the services of
- 2.4.4.1 Timely Pay and Grievance Examiners; and,
 - 2.4.4.2 Senior Timely Pay and Grievance Examiners
- 2.4.5 **Accountable Health Plan (AHP) examinations.** The State Agency may, pursuant to A.R.S. § 20-2304(K) examine an Accountable Health Plan's records and actuarial assumptions used in establishing premium rates for small employer health benefit plans. AHP examinations include an actuarial analysis to determine if the methods used by the AHP in establishing premium rates for small employer health benefits are actuarially sound and in compliance with A.R.S §20-2311. To perform such examinations, the State Agency is seeking the services of



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2.4.5.1 Accountable Health Plan Actuaries.

- 2.5 The State Agency may require the services of Information Technology Specialists to provide technical assistance and support in obtaining and synthesizing data, and in evaluating information system internal controls and audit trails in conjunction with the other categories of examinations. The contractor may be required to collect, evaluate and report on facts regarding an examinee's data processing operations and systems, including but not limited to the existence of, effectiveness of, and adherence to, internal control policies, procedures and systems.
- 2.6 The State Agency is authorized by A.R.S. § 20-148 to contract for and procure, on a fee or part-time basis, or both, such actuarial, technical and other professional services as may be required for the operation of the State Agency. The State Agency is authorized by A.R.S. § 20-159(B) to compensate independent Contractors utilized pursuant to A.R.S. § 20-148 for travel expenses, living expense allowance and per diem compensation. Persons receiving reimbursement or compensation are required by A.R.S. § 20-159(C) to provide a detailed account of all expenses and compensation necessarily incurred on account of an examination.

3. GENERAL CONTRACTOR REQUIREMENTS AND RESPONSIBILITIES:

- 3.1 At the direction of the State Agency, the Contractor shall conduct examinations of insurance companies and other persons regulated by the State Agency, including any necessary pre-examination selection and preparation, post-examination services and other services attendant to monitoring an examinee's compliance with Arizona law. The State Agency shall determine the scope of the examination.
- 3.2 The Contractor shall provide examiner services in accordance with the provisions of applicable Arizona Revised Statutes and the Arizona Administrative Code.
- 3.3 The Contractor must comply fully with A.R.S. § 20-149 throughout the term of the contract and shall ensure that each individual assigned to provide services under the contract has read and understands A.R.S. § 20-149, has no conflicts of interest and does not engage in any prohibited activity.
- 3.4 Contractors assigned to market conduct examinations shall perform the services in accordance with standards set by the State Agency and the NAIC Market Conduct Examiners Handbook and standards established in the Arizona Department of Insurance Managed Care Examination Guidelines. Such examination services may be on a full-scope basis or limited-scope basis as set forth in the Handbook/Guidelines at the discretion of the State Agency.
- 3.5 At the direction of the State Agency, the Contractor shall provide analytical support services needed for any examination-related functions performed by the State Agency, including without limitation:
- 3.5.1 Market surveillance, targeting and prioritization of examinations;
 - 3.5.2 Identification of the scope and nature of examinations;
 - 3.5.3 Conduct of examination-related research;
 - 3.5.4 Finalization of examination reports;
 - 3.5.5 Resolution of examination exceptions through appropriate actions; and,
 - 3.5.6 Review and follow up on corrective action plans.
- 3.6 At the direction of the State Agency, the Contractor shall perform other duties that are reasonably required by the State Agency and that relate to the examination work performed hereunder, including, without limitation,



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- 3.6.1 Being called upon to testify as a witness in any administrative or court proceeding demanded by or commenced against any examinee and relating to any matters disclosed by any such examination;
- 3.6.2 Traveling to the offices of the examinee, either within or without the State of Arizona.
- 3.6.3 Representing the State Agency in a multi-state or collaborative examination as called by the NAIC if the State Agency directs the Contractor to participate.
- 3.6.4 Assisting the State Agency in responding to any examinee objections to Reports of Examination.
- 3.7 A Contractor shall immediately notify the State Agency when an examination site office is closed on a day other than a weekend or an Arizona State-observed holiday.
- 3.8 A Contractor using an individual who holds an insurance license issued by the State Agency shall provide to the Director of Insurance for retention in the licensing file the license certificate and the individual shall not transact business thereunder during the term of the contract. Such an individual shall be responsible for completing all license renewal requirements to avoid the expiration of the license.
- 3.9 **Contractor/Examination Staffing.**
- 3.9.1 The State Agency will determine the staffing requirements needed to appropriately conduct examination work. The State Agency reserves the right to determine which Contractors, and the individuals employed or subcontracted (key personnel) by each Contractor that will be assigned to a particular examination. The State Agency may consider such factors as price and expertise when making work assignments.
- 3.9.2 A Contractor shall be eligible for assignment by the State Agency only for the contractor classifications for which the Contractor has been awarded a contract.
- 3.9.3 The State Agency, at its sole discretion, may change or terminate a Contractor's work assignment at any time.
- 3.9.4 Contractors shall be utilized on an as-needed, if-needed basis.
- 3.9.5 A Contractor is responsible for providing to key personnel any training necessary to ensure the key personnel have and maintain an up-to-date working knowledge of evolving examination standards and health care delivery standards. The State Agency may require a Contractor to provide evidence that key personnel has completed any continuing education required to achieve or maintain professional designations.
- 3.9.6 A Contractor shall report to the State Agency as soon as practicable, in advance whenever possible, any absence of an individual assigned to an examination from the examination site.
- 3.10 **Supplies and Equipment.**
- 3.10.1 A Contractor shall provide all his/her own supplies and equipment, including ordinary office supplies and equipment, up-to-date computer-related hardware and software, and any reference materials not available from the State Agency unless specified by the following exceptions:
- 3.10.1.1 The State Agency may provide the Contractor with reference materials from the National Association of Insurance Commissioners (NAIC), or other examination guidelines or directives for use in conjunction with examination work;
- 3.10.1.2 the Contractor may use the photocopiers and/or facsimile machines of an examinee or the State Agency for examination-related purposes;



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- 3.10.1.3 the Contractor may use the State Agency's computer-related hardware and software when assigned to provide services from an office of the State Agency;
- 3.10.1.4 the State Agency may supply storage materials for examination workpapers and may supply reference materials that are available to the State Agency at no cost and that the State Agency deems necessary for the performance of the work.

3.10.2 The State Agency shall not be responsible for loss of or damage to Contractors' supplies or equipment. A Contractor may pursue a claim for loss or damage with an examinee; however, the State Agency must be provided copies of all correspondence and reparation information associated with the claim.

3.10.3 With regard to computer-related software:

- 3.10.3.1 A Contractor must have the equipment, software and knowledge to be able to deliver examination workpapers and reports in forms and formats acceptable to the State Agency. As of August 1, 2002, the State Agency uses "Microsoft Office 97" software products for word-processing, spreadsheets and databases.
- 3.10.3.2 A Contractor may be required to efficiently and effectively select random samples and synthesize sampled data from examinee electronic transactions. The State Agency currently permits designated Contractors to use State-Agency-owned copies of "ACL for Windows" software to perform this electronic sampling and analysis of data files. Individuals associated with a Contractor may be required to learn how to use the software.
- 3.10.3.3 A Contractor may be required to use electronic software products for the development and maintenance of automated examination workpapers. The State Agency currently permits designated individuals to use State-Agency-owned copies of "Teammate" software for automated examination workpapers processing. Individuals associated with a Contractor may be required to learn how to use the software.

3.10.4 A Contractor must upgrade hardware and software as necessary to remain able to deliver work products in formats acceptable to the State Agency.

3.11 Work Products

- 3.11.1 A Contractor shall promptly furnish the State Agency with examination status reports, examination job budgets and other examination-related information as requested.
- 3.11.2 The Contractor shall prepare and furnish the State Agency with complete and correct reports of examination, exhibits and supporting workpapers using compatible software, in forms, formats, contexts and media acceptable to the State Agency.
- 3.11.3 The Contractor shall prepare for and participate in meetings and hearings as required.
- 3.11.4 In addition to the duties of an examiner, an Examiner-in-charge (EIC) shall also be responsible for planning, budgeting, managing and executing the examination; reviewing the work products of examiners; supervising efforts of examiners in the field, and assisting the State Agency in establishing and maintaining reasonable standards for performance and quality. An individual assigned as an EIC shall be responsible for submitting, on a weekly basis, a completed and executed Examination Status Report. Examination Status Reports indicating examination hours in excess of 100 percent of the approved budget must be accompanied by evidence of the prior written agreement of the State Agency to such excess.



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- 3.11.5 All documents obtained or produced and submitted by the Contractor to the State Agency shall become the property of the State and will be made readily available to the Contractor if required for a hearing or court appearance.

4. CONTRACTOR BILLING AND COMPENSATION

- 4.1 A Contractor submitting a invoice to the State Agency shall, in a form and format prescribed by the State Agency, provide a timely and detailed account of the charges for which the Contractor is seeking compensation.
- 4.2 To avoid a delay in receiving payment, by not later than Tuesday of each week, the State Agency must receive from the Contractor an invoice and any required accompanying documentation for services and expenses relating to the prior week.
- 4.3 A Contractor seeking reimbursement of an expense, other than for an individual's time, living expense allowance or lodging expense allowance, must include with the invoice a legible true and correct photocopy of a receipt, and, for other than airfare or ground transportation, a copy of the State Agency's written authorization.
- 4.4 Accompanying each invoice, a Contractor shall, with regard to each individual assigned to perform on-site examination work, submit an acknowledgment by an appropriate official of the examinee verifying the hours an individual was at the examination site.
- 4.5 A Contractor may only request payment from the State Agency for the following:

4.5.1 Time actually worked at the contract rate subject to the following :

- 4.5.1.1 A Contractor shall be reimbursed for hours actually worked within the approved budget. A Contractor shall not be reimbursed for hours worked in excess of the approved budget without obtaining prior written approval from the State Agency.
- 4.5.1.2 Time worked shall be reported in quarter-hour increments.
- 4.5.1.3 Time spent performing clerical and/or administrative functions, such as examination report assembly or providing invoices with accompanying detailed accounts of expenses and compensation incurred on account of examinations, is considered to be part of the Contractor's overhead cost and shall not be charged to the State Agency.
- 4.5.1.4 An individual assigned as an examiner-in-charge shall be entitled to charge 120% of the Contractor's per hour rate for the category of service that the State Agency has designated be used.

4.5.2 Time spent en route to or from an examination site by individuals, subject to the following :

- 4.5.2.1 Travel time is limited to one trip to and from the examination location.
- 4.5.2.2 When traveling by air, a Contractor shall be paid for the actual time during which an individual traveled, subject to a maximum of 10 hours. Reimbursable travel time begins one hour prior to scheduled flight departure and concludes upon arrival at the place of lodging or examination site. A Contractor must subtract any time not directed toward reaching the travel destination. The Contractor must submit a flight itinerary showing flight destinations and time flown.
- 4.5.2.3 When traveling by land, a Contractor shall be paid one-half hour of an individual's time for each completed 25 miles of travel based upon the Rand McNally Road Atlas mileage chart, subject to a maximum of 8 hours per day and a total of 24 hours.



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- 4.5.2.4 A Contractor shall not be paid for time spent during an individual's daily commute between the individual's lodging or residence and an examination site or an office of the State Agency.
- 4.5.3 **Airfare expenses**, subject to the following:
- 4.5.3.1 Airfare must be reasonable in relation to the lowest available coach/economy airfare on any airline serving that destination at the time the travel is required.
- 4.5.3.2 When purchasing airfare, a Contractor must, whenever possible, purchase round-trip tickets at least fourteen (14) days in advance that are refundable/changeable with a nominal change penalty (fully refundable tickets shall not be reimbursed).
- 4.5.3.3 When submitting a claim for reimbursement, a Contractor must submit a passenger flight receipt and flight itinerary, demonstrating the Contractor paid for the airfare and showing the flight destinations and times flown.
- 4.5.3.4 The State Agency shall not reimburse a Contractor for airfare penalties incurred because of flight cancellations and/or changes in travel arrangements without supporting documentation.
- 4.5.4 **A living expense allowance** of up to 150% of the GSA M&I Rate per day while the individual is in travel status, which may be used by the Contractor to pay for expenses including, but not limited to meals, private vehicle mileage, transportation between an individual's residence and an airport, parking, tips, tolls, taxes, local and long distance telephone calls and shipping costs of personal property, subject to the following:
- 4.5.4.1 A Contractor shall be paid the living expense allowance for each day the Contractor is in travel status if the Contractor works a minimum of 36 hours during the work week.
- 4.5.4.2 A Contractor shall be paid a pro-rata portion of the living expense allowance for any work week in which an individual works fewer than 36 hours at an examination site (excluding travel time). To pro-rata amount shall be calculated based on the amount that would have been paid during the entire work week times the total number of hours the individual actually worked (excluding travel time) divided by 36.
- 4.5.5 **A lodging expense allowance** while the individual is in travel status subject to the following:
- 4.5.5.1 The full lodging expense allowance shall be the GSA Maximum Lodging Rate.
- 4.5.5.2 A Contractor shall be paid a full lodging expense allowance for each day during the work week while the individual is in travel status if the individual worked at least 36 hours during the work week.
- 4.5.5.3 A Contractor shall be paid a pro-rata portion of the lodging expense allowance if an individual works fewer than 36 hours during the work week. The pro-rata lodging expense allowance shall be calculated as the amount that would have been paid for a full work week times the total number of hours the individual actually worked during the work week (excluding travel time) divided by 36.
- 4.5.5.4 If an examination site at which an individual worked the immediately preceding and subsequent normal operating days is closed, the Contractor may add eight (8) hours to the number of hours actually worked when determining the amount of lodging expense allowance reimbursement. The Contractor shall provide the State Agency with verification from the examinee evidencing the day on which the examinee was closed for business during the examination.
- 4.5.5.5 With the prior written approval of the State Agency, the Contractor may be reimbursed for a lodging allowance in an amount greater than the GSA Maximum Lodging Rate when the Contractor has provided



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the State Agency documentation (including names, addresses, telephone numbers and prices) from not fewer than three lodging establishments that are in the business of providing ordinary business accommodations that demonstrates lodging is not available within the GSA Maximum Lodging Rate.

4.5.6 ***Expenses associated with the use of a personal automobile*** while the individual is in travel status subject to the following:

4.5.6.1 No reimbursement will be allowed for the use of a personal automobile while in Travel Status at the examination site.

4.5.6.2 A reimbursement may be allowed for the use of a personal automobile for travel from a Contractor's residence to an examination site. The reimbursement rate will be \$10.00 for each 50 miles completed (if an individual travels 99 miles, the Contractor shall be paid \$10.00).

4.5.7 ***Rental car expenses*** while the individual is in travel status subject to the following:

4.5.7.1 A Contractor may not be reimbursed for the rental of an automobile for individuals who travel to an examination site in a private automobile.

4.5.7.2 Reimbursement will be allowed for only one rental car at each examination site except in cases when four or more individuals are assigned to one examination site, in which case two rental cars will be allowed.

4.5.7.3 A Contractor shall be responsible for fuel and drop-off charges.

4.5.7.4 Car rental charges must be reasonable in relation to the lowest full-size automobile rental charges from any car rental agency serving the location of the examination site at the time the car rental is required. If an appropriately sized automobile is not available, a Contractor may be reimbursed for reasonable rental car charges based upon vehicle availability. To obtain the lowest full-size automobile rental rate, the Contractor should,

4.5.7.4.1 reserve a rental car at least one week in advance;

4.5.7.4.2 reserve a rental car using a weekend or otherwise discounted rate instead of a standard daily rate;

4.5.7.4.3 obtain rental car rates both by Internet and over the telephone.

4.5.7.5 Contractor shall be responsible for all liability and any losses, including but not limited to all insurance coverage and any attendant costs, associated with renting and operating an automobile.

4.5.7.6 To be reimbursed for rental car expenses, a Contractor must furnish the State Agency with legible true and correct copies of the rental car agreement and the payment receipt.

4.5.8 ***Expenses associated with other modes of ground transportation*** while the individual is in travel status shall be reimbursable when approved in advance and evidenced by legible true and correct copies of the receipts.

4.5.9 ***The cost associated with packaging and shipping a Report of Examination and/or supporting workpapers***, which shall either be paid by the Examinee or shall be reimbursed by the State Agency upon presentation of a billing statement in a format prescribed by the State Agency accompanied by a legible true and correct copy of a receipt demonstrating the Contractor incurred the expense.



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- 4.6 Upon request of a Contractor, the State Agency at its sole election may grant an exception to the provisions of SCOPE OF WORK, Paragraphs 4.5.2 through 4.5.9 of this RFP, if the State Agency determines the exception would result in reduced cost to the State Agency and to the examinee.
- 4.7 A Contractor shall be solely responsible for all matters and issues relating to their income taxes, social security taxes and other possible income-related matters.
- 4.7.1 Neither the State nor the State Agency shall make any withholdings on behalf of a Contractor or individual.
- 4.7.2 A Contractor may be required to make prepayments to the U.S. Internal Revenue Service and/or other appropriate taxing authorities as required by Federal, State and/or local laws.
- 4.7.3 If required by law, a Contractor is required to pay for workers' compensation insurance and unemployment insurance for individuals. The State Agency shall not furnish workers' compensation insurance or unemployment insurance coverage.
- 4.7.4 All payments made to a Contractor shall be reflected as income to the Contractor. Amounts reported by the State to the Internal Revenue Service as (1099) taxable income shall include all expenses reimbursed, expense allowances and other payments that the State Agency paid to a Contractor.

5. **CONTRACTOR CLASSIFICATIONS AND QUALIFICATIONS:** Contractor classifications and minimum qualifications are set forth below. The minimum standards must be met by an Offeror, his/her employee or subcontractor to obtain assignments at each designated classification. The State Agency, in its sole discretion, shall determine the number of Contractors and classifications of Contractors necessary to properly conduct its examinations. Offerors that have met the minimum standards of a higher level classification are not precluded from performing services at a lower classification. Upon determination of the staffing requirements by the State Agency, examination assignments will be made based upon the available pool of Contractors in each classification as results this RFP. The State Agency may consider the Contractor's price for providing services, the expertise of Contractor individuals, or other factors when making work assignments.

The State Agency may assign one individual to serve as an Examiner-in-Charge (EIC) on an examination. The EIC will function as on-site management for each examination and will have the additional responsibility of managing the day-to-day assignments of other examiners and for preparing examination status and budget reports. The EIC is the principal Contractor responsible for the preparation and submission of Reports of Examination and will be expected to sign the Report and attest to its compliance with all applicable NAIC standards. The EIC assigned to examinations requiring more than one Contractor will be eligible to charge 120% of the Contractor's per hour rate for the category of service that the State Agency has designated be used.

5.1 Market Conduct Insurance Examination Services

The Contractor shall provide individuals with the following minimum qualifications:

5.1.1 Associate Market Conduct Insurance Examiner

- 5.1.1.1 Have an Associate or equivalent two (2) year degree; OR
- 5.1.1.2 Two (2) years experience in auditing, underwriting, rating, claims, management, operations or administration in an insurance company or an insurance agency; OR
- 5.1.1.3 Participated in two (2) market conduct examinations for the State Agency or an insurance department in another state; OR
- 5.1.1.4 Has been employed or contracted by an insurance department for a minimum of two (2) years involved in consumer complaint handling, forms review, rate review, investigations or administration.



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5.1.2 Market Conduct Insurance Examiner

Having met the qualifications for an Associate Market Conduct Examiner, a Market Conduct Insurance Examiner shall possess the following additional qualifications:

- 5.1.2.1 Have a Bachelor's or equivalent four (4) year degree from an accredited college or university with a major in insurance, business administration, marketing, public administration or closely related field; OR
- 5.1.2.2 Attained the designation of Accredited Insurance Examiner (AIE) from the Insurance Regulatory Examiners Society (IRES); OR
- 5.1.2.3 Possess a minimum of five (5) years experience in auditing, underwriting, rating, claims, marketing, management or administration for an insurance company or an insurance agency; OR
- 5.1.2.4 Been employed or contracted by an insurance department for a minimum of four (4) years involved in consumer complaint handling, forms review, rate review, investigations or administration; OR
- 5.1.2.5 Completed five of the ten required courses for either the CPCU or FLMI designations or obtained the CLU, ALHC or AIRC designation; OR
- 5.1.2.6 Completed at least four (4) market conduct examinations for the State Agency or an insurance department in any other state in at least an Associate Examiner capacity.

5.1.3 Market Conduct Senior Insurance Examiner

Having met the qualifications for an Market Conduct Examiner, a Market Conduct Senior Insurance Examiner shall possess the following additional qualifications:

- 5.1.3.1 Attained the designation of Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES); OR
- 5.1.3.2 Possess a minimum of seven (7) years experience in auditing, underwriting, rating, claims, marketing, management or administration for an insurance company or an insurance agency; OR
- 5.1.3.3 Been employed or contracted by an insurance department for a minimum of six (6) years involved in consumer complaint handling, forms review, rate review, investigations or administration; OR
- 5.1.3.4 Holds a CPCU, FLMI, CIC, FLHC; OR
- 5.1.3.5 Completed at least eight (8) market conduct examinations for the State Agency or an insurance department in any other state in at least a Market Conduct Insurance Examiner capacity.
- 5.1.3.6 By January 1, 2005, a Market Conduct Senior Insurance Examiner must hold the designation of Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES) to be eligible for contract renewal.
- 5.1.3.7 The State Agency may appoint as an Examiner-In-Charge (EIC) a Market Conduct Senior Insurance Examiner who possesses the following additional qualifications:
 - 5.1.3.7.1 Attained the designation of Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES); OR



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- 5.1.3.7.2 Hold a JD, MBA, MA, MS or PHD (with an emphasis on insurance related matters); OR
- 5.1.3.7.3 Possess a minimum of eight (8) years experience in auditing, underwriting, rating, claims, marketing, management or administration for an insurance company or an insurance agency; OR
- 5.1.3.7.4 Been employed or contracted by an insurance department for a minimum of eight (8) years involved in market analysis or market conduct examination administration; OR
- 5.1.3.7.5 Completed at least ten (10) market conduct examinations for the State Agency or an insurance department in any other state in at least a Market Conduct Insurance Examiner capacity.
- 5.1.3.7.6 By January 1, 2005, a Contractor shall not be appointed as an Market Conduct Insurance Examiner-In-Charge unless the Contractor holds the designation of Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES).

5.1.4 Market Conduct Data Management Specialist

- 5.1.4.1 Attained the designation of Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES); AND
- 5.1.4.2 Has demonstrated proficiency in the use of Audit Control Language (ACL) software for market conduct examinations including but not limited to data requests and sampling methods; AND
- 5.1.4.3 Completed at least five (5) market conduct examinations for the State Agency or an insurance department in any other state where duties included the use of ACL in at least a Senior Market Conduct Examiner capacity.

5.2 Health Care Services Organization (HCSO) Examination Services

The Contractor shall provide individuals with the following minimum qualifications:

5.2.1 Senior Registered Nurse

- 5.2.1.1 Graduation from an accredited 4-year college or university with a degree in nursing.
- 5.2.1.2 Five (5) years' experience in public health management, administration, regulation of health care, clinical nursing practice or nurse related work. Three (3) years direct clinical experience.
- 5.2.1.3 Prefer master's degree, clinical experience in medical/surgical nursing or related clinical area and certification in the Certified Professional in Healthcare Quality (CPHQ) Program.
- 5.2.1.4 Current licensure, without restriction, as a Registered Nurse.
- 5.2.1.5 Strong understanding of quality improvement and utilization management.
- 5.2.1.6 Familiarity with health care investigations and regulatory agency work. Knowledge of organizational structure, management practices and programs.

5.2.2 Registered Nurse

- 5.2.2.1 Graduation from an accredited 4-year college or university with a degree in nursing.



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- 5.2.2.2 Five (5) years' clinical experience. Prefer clinical experience in medical/surgical nursing or related clinical area.
- 5.2.2.3 Current licensure, without restriction, as a Registered Nurse.
- 5.2.2.4 Strong understanding of quality improvement and utilization management.
- 5.2.2.5 Familiarity with health care investigations and regulatory agency work. Knowledge of organizational structure, management practices and programs.
- 5.2.2.6 Prefer certification in the Certified Professional in Healthcare Quality (CPHQ) Program.
- 5.2.3 Utilization Review Nurse
- 5.2.3.1 Graduation from an accredited 4-year college or university with a degree in nursing.
- 5.2.3.2 Five (5) year's clinical experience. Prefer clinical experience in medical/surgical nursing or related clinical area.
- 5.2.3.3 Current licensure, without restriction, as a Registered Nurse.
- 5.2.3.4 Strong understanding about quality improvement and utilization management.
- 5.2.3.5 Five (5) years' experience in utilization review or case management for a medical review organization, managed care entity or hospital.
- 5.2.4 Pharmacist
- 5.2.4.1 Graduation with a Master of Science in Pharmacy, Pharm.D. or Ph.D. in Pharmacy from an accredited college or university.
- 5.2.4.2 Five (5) years' recent health care experience including three (3) years direct clinical experience.
- 5.2.4.3 Current licensure, without restriction, as a Pharmacist.
- 5.2.4.4 Contemporary knowledge of and experience in healthcare operations, clinical practice, use of quality improvement methods to assess organizational performance.
- 5.2.5 Physician
- 5.2.5.1 Must have a Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.) degree from an accredited college or university.
- 5.2.5.2 Current licensure, without restriction, as a M.D. or D.O.
- 5.2.5.3 Contemporary knowledge of and experience in healthcare, managed care operations, clinical practice, use of quality improvement methods to assess organizational performance and utilization management.
- 5.2.6 HCSO Management/Administration
- 5.2.6.1 Must have a master's degree from an accredited college or university in a management field.



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5.2.6.2 Five (5) years' recent health care management experience.

5.2.6.3 Contemporary knowledge of and experience in healthcare operations, clinical practice, use of quality improvement methods to assess organizational performance, network adequacy and development, member services, member rights and responsibilities and utilization management.

5.3 Prepaid Dental Plan Organization Examination Services

5.3.1 Dentist

5.3.1.1 Must have a Doctor Dental Medicine (D.D.M.) or a Doctor of Dental Surgery (D.D.S.) degree from an accredited college or university.

5.3.1.2 Current licensure, without restriction, as a dentist.

5.3.1.3 Contemporary knowledge of and experience in prepaid dental managed care, clinical practice and use of quality improvement methods.

5.3.2 PDPO Management/Administration

5.3.2.1 Must have a master's degree from an accredited college or university in a management field.

5.3.2.2 Five (5) years' recent health care management experience.

5.3.2.3 Contemporary knowledge of and experience in prepaid dental care operations, clinical practice, use of quality improvement methods to assess organizational performance, network adequacy and development, member services, member rights and responsibilities and utilization management.

5.4 Timely Pay and Grievance Examination Services

5.4.1 TP&G Examiner

5.4.1.1 Have a bachelor's or equivalent four (4) year degree from an accredited college or university with a major in insurance, business administration, marketing, public administration or closely related field; OR

5.4.1.2 Attained the designation of Accredited Insurance Examiner (AIE) from the Insurance Regulatory Examiners Society (IRES); OR

5.4.1.3 Possess a minimum of five (5) years experience in auditing, underwriting, rating, claims, marketing, management or administration for an insurance company or an insurance agency; OR

5.4.1.4 Been employed or contracted by an insurance department for a minimum of four (4) years involved in consumer complaint handling, forms review, rate review, investigations or administration; OR

5.4.1.5 Completed five of the ten required courses for the FLMI designations or obtained the CLU, ALHC or AIRC designation; OR

5.4.1.6 Completed at least four (4) market conduct examinations for the State Agency or an insurance department in any other state in at least an Associate Examiner capacity.

5.4.2 Senior TP&G Examiner



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Having met the qualifications for TP&G Examiner, a Senior TP&G Examiner shall possess the following additional qualifications:

- 5.4.2.1 Attained the designation of Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES); OR
- 5.4.2.2 Possess a minimum of seven (7) years experience in auditing, underwriting, rating, claims, marketing, management or administration for an insurance company or an insurance agency; OR
- 5.4.2.3 Been employed or contracted by an insurance department for a minimum of six (6) years involved in consumer complaint handling, forms review, rate review, investigations or administration; OR
- 5.4.2.4 Holds a FLMI, CIC, FLHC; OR
- 5.4.2.5 Completed at least eight (8) market conduct or TP&G examinations for the State Agency or an insurance department in any other state in at least a Market Conduct Insurance Examiner or TP&G Examiner capacity.
- 5.4.2.6 By January 1, 2005, a Senior TP&G Examiner must hold the designation of Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE) from the Insurance Regulatory Examiners Society (IRES) to be eligible for contract renewal.

5.5 Other Services

5.5.1 Accountable Health Plan Actuary

- 5.5.1.1 Significant experience in actuarial evaluations of life and health policies and in establishing premium rates for Accountable Health Plans under A.R.S. § 20-2311.
- 5.5.1.2 Meet the definition of a qualified actuary as defined in A.R.S. § 20-696.02(B). As defined in A.R.S. § 20-696.02(B), a qualified actuary is an individual who meets the following requirements:
 - 5.5.1.2.1 Is a member in good standing of the American Academy of Actuaries.
 - 5.5.1.2.2 Is qualified to sign public statements of actuarial opinion for life and health insurance company annual statements in accordance with the American Academy of Actuaries qualification standards for actuaries signing statements of actuarial opinion.
 - 5.5.1.2.3 Is familiar with the valuation requirements applicable to life or health insurance companies.

5.5.2 Information Technology Specialist. The Contractor shall have the following minimum qualifications:

- 5.5.2.1 Two (2) years' cumulative experience performing reviews of information technology systems as, or in conjunction with, a principal occupation; OR
- 5.5.2.2 Two (2) years' experience performing audits of the data processing operations and systems of an examinee, or large healthcare provider, as a member of the internal audit staff.



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- 1 **PRE-PROPOSAL CONFERENCE:** As noted on page one (1) of this document, a Pre-Proposal Conference will be held on October 28, 2002 from 1:00 – 3:00 P.M., MST, at the Arizona State Capitol, Executive Tower Building, Grand Canyon Room (in the basement), 1700 W. Washington, Phoenix, AZ. An Offeror may submit questions, comments, or suggestions related to this requirement to Mark Held, CPPB, Procurement Specialist by e-mail Mark.Held@ad.state.az.us or by facsimile (602-542-5508). Any doubt as to the requirements of the Request for Proposal or any apparent omission or discrepancy should be presented to the State for review and consideration. The State of Arizona will then determine the appropriate action necessary, if any, and issue a written amendment to the RFP. Oral or written statements or instructions, unless made part of a Solicitation Amendment, shall not constitute an amendment to the Request for Proposal.
- 2 **PROPOSAL OPENING:** Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Offeror shall be read publicly and recorded. Prices will **NOT** be read. Proposals will not be subject to public inspection until after contract award.
- 3 **OFFER ACCEPTANCE PERIOD:** Proposals shall be irrevocable offers for 120 days after the proposal due date.
- 4 **OFFEROR'S CONTACT:**
 - 4.1 All questions regarding this Request for Proposal, including technical specifications, proposal process, etc., must be directed to the Senior Contracts Officer as indicated on the first page of this document.
 - 4.2 Offerors may not contact the employees of the using State Agency concerning this procurement while the proposal and evaluation are in process.
- 5 **EVALUATION CRITERIA:** Evaluation criteria are listed in the relative order of importance. It is vital that a contract be awarded to an Offeror with the knowledge, experience, expertise, staff and resources necessary to insure the successfully performance of all service requirements at a reasonable cost. Consequently, contract award will be made to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the following criteria:
 - 5.1 Experience, Expertise and Reliability of the Offeror.
 - 5.2 Cost
 - 5.3 Availability of Resources and Responsiveness to the Service Requirements
- 6 **PROPOSAL FORMAT:** **One (1) original and eight (8) Copies** of each proposal should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "**ORIGINAL**". The material should be in sequence and related to the RFP. The State will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal should include at least the following information:
 - 6.1 **Identification:** A title sheet or equivalent must state the name and business address of the organization that will conduct the work; name, title, and mailing address of the principal contact to whom all correspondence will be delivered.
 - 6.2 **Table of Contents:** Provide information relevant to section titles and corresponding page numbers to assist with the evaluation of your proposal.
 - 6.3 **Price Proposal:** All prices must be set forth on the Pricing Schedule of this RFP which must be completed, signed and submitted with the Offeror's proposal. The Offeror must provide a firm, fixed hourly rate for each applicable category set forth in this RFP. Offerors should be aware that in addition to cost being considered in conjunction with this solicitation, the State Agency may consider cost when determining to which contractors to assign work.



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- 6.4 **Experience, Expertise and Reliability of the Offeror:** The proposal must contain copies of relevant licenses, diplomas and/or certificates held by key personnel to evidence achievement of qualifications set forth in the RFP. The Proposal should, as appropriate, contain the following information to demonstrate the depth and variety of experience and expertise of individuals the Offeror has available to be assign to work pursuant to this RFP:
- 6.4.1 The Offeror must provide information on the Offeror's qualifications and related experience. This should include specific information on the type of services provided, the dates of performance, demonstrated timeliness and quality of similar work completion, and experience. This information should be shown in a format substantially similar to Exhibit A- Offeror's Experience to this RFP.
- 6.4.2 The Offeror should provide an organizational chart showing the staffing and lines of authority for the key personnel to be used in the project. The relationship of the project leader to management and to support personnel should be clearly illustrated.
- 6.4.3 The Offeror should provide a list of all individuals (key personnel) who may be assigned to perform services pursuant to this RFP for which the Offeror intends to charge the State Agency, and for each individual, the applicable contract classification(s) from the classifications enumerated in SCOPE OF WORK. This information should be depicted in a substantially similar format as found in Exhibit B - Personnel Qualifications of this RFP.
- 6.4.4 The Offeror should submit a job description that includes the minimum qualifications used in hiring key personnel for each category of service the Offeror proposes to provide to the State Agency.
- 6.4.5 The Offeror should describe specific steps it will take to ensure that an adequate number of qualified key personnel are available per classification to perform services proposed by the Offeror.
- 6.4.6 The Offeror should provide a résumé that reflects the individual's educational background and areas of focus (e.g., insurance, law, accounting or business), work experience, and data related to previous work assignments as may relate to this RFP for each individual listed pursuant to 6.4.2 of this section. The level of information provided should include a detailed narrative that includes, at a minimum, the following:
- 6.4.6.1 For Market Conduct examinations, information about the individual's education and work background including:
- 6.4.6.1.1 Information about the individual's work experience in insurance regulatory compliance, Market Conduct examination experience and insurance company or insurance agency experience.
- 6.4.6.1.2 Information about the individual's experience in the fields of insurance law, auditing, accounting or business; and
- 6.4.6.1.3 Any information reflecting the individual's ability to perform the required services.
- 6.4.6.2 For Health Care Services Organization examinations, information about the individual's educational and work background including:
- 6.4.6.2.1 Information about the individual's work experience in health and managed care, health care administration, grievance and appeals, network adequacy and development, member rights and responsibilities, member services, provider contracting, credentialing and recredentialing, quality improvement, utilization management, basic health care services and claims timely pay;



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6.4.6.2.2 Information about the individual's experience in the fields of insurance, law, accounting or business; and

6.4.6.2.3 Any information reflecting the individual's ability to perform the required services.

6.4.6.3 For Prepaid Dental Plan Organization examinations, information about the individual's educational and work background including:

6.4.6.3.1 Information about the individual's work experience in prepaid dental managed care, clinical practice, quality management, grievance and appeals, network quality reviews, including provider contracting, credentialing and recredentialing, dental facility and treatment record reviews, member services and dental care administration;

6.4.6.3.2 Information about the individual's experience in the fields of insurance, law and business; and

6.4.6.3.3 Any information reflecting the individual's ability to perform the required services.

6.4.6.4 For Timely Pay and Grievance examinations, information about the individual's educational and work background including:

6.4.6.4.1 Information about expertise in the analysis or auditing of healthcare provider claims processing, claims payment, and grievance resolution processing.

6.4.6.4.2 Information about the methodologies the individual would employ to analyze compliance with A.R.S §§ 20-3101 and 20-3102.

6.4.6.4.3 Any additional information reflecting the individual's ability to perform the required services.

6.4.6.5 For accountable health plan actuarial examinations, information about the individual's educational and work background including:

6.4.6.5.1 Information about the individual's work experience in actuarial evaluations of life and health policy and rate setting;

6.4.6.5.2 Information about the individual's experience in the fields of insurance, law, accounting or business; and

6.4.6.5.3 Any information reflecting the individual's ability to perform the required services.

6.5 **Availability of Resources and Responsiveness to the Service Requirements:** The proposal should contain, at a minimum, the type and level of information necessary to reflect both an understanding of the service requirements and appropriate methods for satisfying all service requirements specified in this solicitation. Additionally, the Offeror should describe:

6.5.1 The Offeror's available resources to collect, process and analyze the data, including, but not limited to the Offeror's current hardware and software resources with an emphasis on the service requirements specified in this solicitation.

6.5.2 Confidentiality procedures. The Offeror should provide written procedures and controls that will assure that information contained in its records, obtained from the State Agency and obtained from an examinee shall be held in confidence, in accordance with the SPECIAL TERMS AND CONDITIONS, of this RFP.



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6.5.3 Any service limitations the Offeror would have in conjunction with the performance of any services required in this solicitation. If the service limitation could be impacted or eliminated with the use of a Subcontractor, the Offeror should provide ample information detailing how the Subcontractor and its personnel will be utilized to reduce or eliminate a limitation specified by the Offeror. If proposing the services of a Subcontractor, the Offeror's proposal should contain, at a minimum, the following information:

6.5.3.1 Proposed roles and areas of responsibility of the Subcontractor;

6.5.3.2 The Subcontractor's experience, reliability and resources;

6.5.3.3 Résumés of key personnel that identify training, experience and expertise; and,

6.5.3.4 Other relevant information not contained in résumés.

6.5.4 A list of references. References should be verifiable and should be able to comment on the Offeror's related experience. The Offeror should submit three (3) similar-type professional service references for whom or on whose behalf services were provided within the past three (3) years, including the name, business name (if applicable), address and telephone number, and where available, e-mail address, for each. This information should be shown in a format substantially similar to Exhibit C – Offeror's References.

6.5.5 How the Offeror will provide timely response to requests from the Arizona Department of Insurance (i.e., local office, locally stationed liaison).

6.5.6 The Offeror's ability to prepare and furnish comprehensive reports. Provide examples of a variety of reports completed by the Offeror, and the format the Offeror would use to submit the report. Include a description of the electronic format and data management program.

6.5.7 How the Offeror will ensure the confidentiality of information during the term of the contract and the period after termination of this contract.

6.5.8 How the Offeror will ensure an adequate number of qualified key personnel are available to perform services under a resultant contract.

7 **CONFLICT OF INTEREST:** The Offeror shall provide the State Agency with a list disclosing any direct or indirect financial interests, other than as policy holder or claimant under a policy, in any entities regulated under Title 20 (pursuant to A.R.S. § 20-149). This information shall be shown in a format substantially similar to Exhibit D – Offeror's Conflict of Interest Disclosure Form.

8 **DISCUSSIONS:** In accordance with A.R.S. § 41-2534, after the initial receipt of proposals, discussions may be conducted with Offeror(s) who submit proposals determined to be reasonably susceptible of being selected for award.



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1. **Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:
 - A. “Attachment” means any item the Solicitation requires an Offeror to submit as part of the Offer.
 - B. “Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - C. “Contract Amendment” means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the contract.
 - D. “Days” means calendar days unless otherwise specified.
 - E. “Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - F. “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - G. “Offer” means bid, proposal or quotation.
 - H. “Offeror” means a vendor who responds to a Solicitation.
 - I. “Procurement Officer” means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
 - J. “Solicitation” means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
 - K. “Solicitation Amendment” means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
 - L. “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - M. “State” means the State of Arizona and Department or Agency of the State that executes the Contract.
2. **Inquiries**
 - A. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
 - B. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
 - C. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
 - D. Timeliness. Any inquiry shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
 - E. No Right to Rely on Verbal Responses. Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
 - F. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
 - G. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
 - H. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.



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3. Offer Preparation

- A. Forms: No Facsimile or Telegraphic Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- B. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- C. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- D. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically referenced by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
1. Invitation for Bids: An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 2. Request for Proposals: All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria as stated in the Solicitation or result in rejection of the Offer.
- E. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- F. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
- G. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- H. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- I. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Price Sheet.
- J. Identification of Taxes in Offer. The State of Arizona is subject to all applicable taxes. Offerors shall indicate taxes as a separate item in the Offer.
- K. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- L. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
1. Special Terms and Conditions;
 2. Uniform Terms and Conditions;
 3. Statement or Scope of Work;
 4. Specifications;
 5. Attachments;
 6. Exhibits;
 7. Special Instructions to Offerors;
 8. Uniform Instructions to Offerors.



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M. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination(s).

4. Submission of Offer

- A. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.
- B. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- C. Public Record. Under applicable law, all Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall stamp as confidential that information and submit a statement with its Offer detailing the reasons that information should not be disclosed. The State shall make a determination on whether the stamped information is confidential pursuant to the Arizona Procurement Code.
- D. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 1. It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 2. It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

5. Evaluation

- A. Unit Price Prevails. Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- B. Taxes. Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.
- C. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
- D. Disqualification. The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- E. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.
- F. Payment. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- G. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 1. Waive any minor informality;
 2. Reject any and all Offers or portions thereof; or
 3. Cancel a Solicitation.

6. Award

- A. Number or Types of Awards. Where applicable, the State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- B. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- C. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.



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7. **Protests.** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
- A. The name, address and telephone number of the protester;
 - B. The signature of the protester or its representative;
 - C. Identification of the purchasing agency and the Solicitation or Contract number;
 - D. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - E. The form of relief requested.
8. **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to the State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104 Phoenix, Arizona, 85007.



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- 1 **TERM OF CONTRACT:** The term of the contract shall commence upon award and shall remain in effect for a period of one (1) year unless canceled, terminated or extended by amendment as otherwise provided herein.
- 2 **CONTRACT RENEWAL:** The contract shall not bind nor purport to bind, the State for any contractual commitment in excess of the original contract period. The State shall have the right, at its sole option, to renew the contract for four (4) one-year periods or a portion thereof. If the State exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period with the exception of price. The Contractor shall agree that the prices stated in the original contract shall not be increased in excess of the maximum percentage of increase stated on the Pricing Schedule attached to this document.
- 3 **BILLING AND PAYMENT:** The Contractor shall submit to the State Agency a Billing Statement in accordance with a form prescribed by the State Agency. The statement shall be prepared in accordance with the Scope of Work. The Agency shall process the claim for prompt payment in accordance with the standard operating procedures of the State.
 - 3.1 At any time during the contract term, the Contractor may submit a written request to amend its contract to reflect a price decrease or rate reduction. The specified reduction may be submitted for specific item(s) or in the form of a percentage decrease in all price categories.
- 4 **ESTIMATED USAGE:** The estimated quantities shown are in fact yearly estimates and the State does not make any guarantees as to the number of personnel or hours to be utilized under the resultant contract.
- 5 **MULTIPLE AWARDS:** The State reserves the right to make multiple awards if necessary to ensure adequate coverage for the performance of specified services.
- 6 **KEY PERSONNEL:** It is essential that the Contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must assign specific individuals to the key positions with designated areas of responsibility and authority. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the using Agency.
 - 6.1 The Contractor, at the instruct of the State Agency, shall remove and/or reassign any of the key personnel assigned to provide services under this contract. The Contractor further understands that the State Agency is not required to provide justification when providing such instructions to the Contractor.
- 7 **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to the State. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the State.
- 8 **CONFIDENTIAL INFORMATION:** If a person believes that any portion of a proposal, bid, offer, specification, protest or correspondence contains information that should be withheld, then the Procurement Officer shall be so advised in writing (Price is not confidential and will not be withheld). Such material shall be identified as confidential wherever it appears. The State, pursuant to A.C.R.R. R2-7-104, shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information, unless the person utilizes the "Protest" provision as noted in §41-2611 through §41-2616.
- 9 **INSURANCE REQUIREMENTS:**



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Without limiting any liabilities or any other obligation of the Contractor, the Contractor shall purchase and maintain (and cause its subcontractors to purchase and maintain), in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least A VII in the current A.M. Best's, the minimum insurance coverage below:

9.1 Business Automobile Liability, with minimum limits of \$100,000 per person, \$300,000 each accident, or \$300,000 per occurrence combined single limit, with Insurance Service Office, Inc. Declarations to include Symbol One (Any Auto) applicable to claims arising from bodily injury, death or property damage arising out of the ownership, maintenance or use of any auto. The policy shall be endorsed to add the State of Arizona as an Additional Insured with reference to this contract. This requirement may be modified at the discretion of the State to acknowledge coverage provided by a Family Automobile Liability or Personal Automobile Liability policy endorsed to cover Business Use under this contract (in lieu of a Business Automobile Liability policy), and provide such policy also insures the vehicle(s) used in performance of this contract (in lieu of "Symbol One").

9.2 Workers Compensation and Employers Liability insurance as required by the State of Arizona Workers Compensation statutes, as follows:

Workers Compensation (Coverage A): Statutory Arizona benefits;
Employers Liability (Coverage B): \$500,000 each accident;
\$500,000 each employee/disease;
\$1,000,000 policy limit/disease.

Policy shall include endorsement for All State coverage for state of hire.

EXCEPTIONS: A Sole Proprietor Waiver shall be used for contractors who fit this category. This form applies only to State of Arizona Agencies utilizing sole proprietors with no employees. See Attachment 1. If you are a corporation, limited liability company, partnership or sole proprietors with employees, this form will not apply.

IF YOUR COMPANY IS AN LLC (Limited Liability Corporation and does not have employees, nor required to have workman's compensation insurance, provide the following:

You (all individuals associated with this contract) should submit a letter stating that you are part of an LLC and by law are not required to have worker's compensation, Also include the following verbiage:

I, _____, herby acknowledge that I do not have worker's compensation coverage. I hereby indemnify and hold harmless the State of Arizona and the Arizona Department of Insurance for any injury or loss associated with contract # AD030034. The letter/statement must be signed, dated, and notarized.

9.3 The State of Arizona reserves the right to request and receive certified copies of all policies and endorsements within ten calendar days of contract signature.

9.4 Certificates of Insurance acceptable to the State of Arizona shall be issued and delivered prior to the commencement of the work defined in this contract, and shall identify this contract and include certified copies of endorsements naming the State of Arizona as Additional Insured for liability coverages. The certificates, insurance policies and endorsements required by this paragraph shall contain a provision that coverages afforded will not be canceled until at least 60 days prior written notice has been given to the State of Arizona. All coverages, conditions, limits and endorsements shall remain in full force and effect as required in this contract.

9.5 Failure on the part of the Contractor to meet these requirements shall constitute a material breach of contract, upon which the State of Arizona may immediately terminate this agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all moneys so paid by the State of Arizona shall be repaid by the Contractor upon demand, or the State of Arizona may offset the cost of the premiums against any moneys due to the contractor. Costs for coverages broader than those required or for limits in excess of those required shall not be charged to



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the State of Arizona. Contractor and its insurer(s) providing the required coverages shall waive their rights of recovery against the State of Arizona, its Departments, Employees and Officers, Agencies, Boards and Commissions.

Within fifteen (15) days following notification of award, certificates of insurance must be submitted to the State Procurement Office, clearly stating the applicable contract number, effective date(s) of coverage, and limits of liability required pursuant to the contract.

- 10 **OTHER INSURANCE/SELF INSURANCE:** The State of Arizona, Department of Administration, Risk Management Section reserves the right to review the General/Professional Liability insurance policies of the contractor. The State of Arizona, Risk Management may, at their sole discretion, provide self insurance per A.R.S. § 41-621. Such self insurance shall be in excess of any primary insurance carried by the contractor, and shall not replace any General/Professional Liability insurance policies of the contractor.
- 11 **AMENDMENTS:** Any change in the contract including the Scope of Work described herein, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the contractor and the State Procurement Office of the State of Arizona. Any such amendment shall specify an effective date, any increases or decreases in the amount of the contractors' compensation if applicable and entitled as an "Amendment", and signed by the parties identified in the preceding sentence. The contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification or supplementation to the contract.
- 12 **CANCELLATION:** The State reserves the right to cancel the whole or any part of the contract due to failure of the Contractor to carry out any term, promise, or condition of the contract. The State will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as in any of the following:
- The Contractor provides personnel that do not meet the requirements of the contract.
 - The Contractor fails to perform adequately the services required in the contract.
 - The Contractor attempts to impose on the State, personnel that are of an unacceptable quality.
 - The Contractor fails to furnish the required product within the time stipulated in the contract.
 - The Contractor fails to make progress in the performance of the requirements of the contract and/or gives the State a positive indication that the Contractor will not or cannot perform to the requirements of the contract.
- If the Contractor does not correct the above problem(s) within ten (10) days after receiving the notice of default, the State may cancel the contract. If the State cancels the contract pursuant to this clause, the State reserves all rights or claims to damage for breach of contract.
- 13 **TERMINATION:** The State Procurement Office reserves the right to terminate the contract at any time, for the convenience of the State of Arizona, without penalty or recourse, by giving written notice to the contractor at least thirty (30) days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, and reports prepared by the contractor under the contract shall, at the option of the State Procurement Office, become property of the State of Arizona. The contractor shall be entitled to receive just and equitable compensation for that work completed prior to the effective date of termination.
- 14 **SUSPENSION OR DEBARMENT STATUS:** If the firm, business or person submitting this bid or offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any Federal, State or Local Government, the bidder or offeror must include a letter with its bid or offer setting forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. Failure to supply the letter or to disclose in the letter all pertinent information regarding a



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suspension or debarment shall result in rejection of the bid or offer or cancellation of a contract. The State also may exercise any other remedy available by law.

- 15 **SUSPENSION OR DEBARMENT CERTIFICATION:** By signing the offer section of the Offer and Acceptance page, SPO Form 203, the bidder or offeror certifies that the firm, business or person submitting the bid or offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any Federal, State or Local Government. Signing the offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the bid or offer or cancellation of a contract. The State also may exercise any other remedy available by law.
- 16 **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with the Americans With Disabilities Act of 1990 (Public Law 101-336) and the Arizona Disability Act of 1992 (A.R.S. 41-1492 et. seq.), which prohibits discrimination on the basis of physical or mental disabilities in delivering contract services or in the employment, or advancement in employment of qualified individuals.
- Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Kay H. Woods at (602) 542-9134 or by e-mail at Mark.Held@ad.state.az.us. Requests should be made 48 hours in advance to allow time to arrange the accommodation.
- 17 **AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR:** Funds are not presently available for performance under this contract beyond the current fiscal year. The State's obligation for performance of this contract beyond this fiscal year is contingent upon the availability of funds from which payment for contract purposes can be made. No legal liability on the part of the State for any payment may arise for performance under this contract beyond the current fiscal year until funds are made available for performance of this contract.
- 18 **CONTRACT:**
- 18.1 The contract between the State of Arizona and the contractor shall consist of (1) the Request for Proposal (RFP) and any amendments thereto, and (2) the proposal submitted by the contractor in response to the RFP and (3) any clarifications, discussions, and best and final offers negotiated. In the event of a conflict in language between the two documents referenced above, the provisions and requirements set forth and/or referenced in the Request for Proposal shall govern. However, the State reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the Request for Proposal shall govern.
- 18.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for expenditures under the contract until funds have been encumbered.
- 18.3 The contractor agrees and understands that the State of Arizona's agreement to the contract is predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) as identified and/or described in the contractor's proposal. Therefore, the contractor agrees that no substitution of such specified individuals and/or personnel qualifications shall be made without the prior written approval of the State Agency. The contractor further agrees that any substitution made pursuant to this paragraph must be equal or better than originally proposed and that the State Agency's approval of a substitution shall not be construed as an acceptance of the substitution's performance potential. The State of Arizona agrees that an approval of a substitution will not be unreasonably withheld. The contractor agrees to reveal its staffing levels by function, including résumés, upon request by the State at any time during the contract.
- 18.4 The contractor shall be fully registered, permitted and licensed in the State of Arizona to perform the disciplines required for the performance of this contract.
- 19 **SUBCONTRACTS:** The contractor may, with the consent of the State, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the State Procurement Office prior to the effective date of any subcontract.



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- 19.1 No subcontract into which the contractor enters with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.
- 19.2 The contractor shall give the State Procurement Office immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor which in the opinion of the contractor may result in litigation related in any way to the contract with the State.

20 **OWNERSHIP OF DOCUMENTS:** All documents (obtained, produced, and/or submitted) to the State Agency shall become the exclusive property of the State and made available to the Contractor for a hearing or court appearance. Utilization of these documents for purposes other than those described in this requirement are not authorized unless the Contractor obtains the prior written approval of the State Agency for a specific purpose that is prior approved by the State Agency.



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1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- A. *“Attachment”* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- B. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
- C. *“Contract Amendment”* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- D. *“Contractor”* means any person who has a Contract with the State.
- E. *“Days”* means calendar days unless otherwise specified.
- F. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- G. *“Gratuity”* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- H. *“Offer”* means bid, proposal or quotation.
- I. *“Offeror”* means a vendor who responds to any type of Solicitation.
- J. *“Procurement Officer”* means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or their designee.
- K. *“Solicitation”* means an Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).
- L. *“Solicitation Amendment”* means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
- M. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- N. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.

2. Contract Interpretation

- A. Arizona Law. The law of Arizona applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- B. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- C. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 1. Special Terms and Conditions;
 - 2. Uniform Terms and Conditions;
 - 3. Statement or Scope of Work;
 - 4. Specifications;
 - 5. Attachments;
 - 6. Exhibits;
 - 7. Documents referenced or included in the Solicitation.
- D. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.



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- E. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- F. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.
- G. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract administration and operation

- A. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records ("records") relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- B. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- C. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- D. Inspection and Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this Contract. The State shall also have the right to test at its own cost the materials to be supplied under this Contract. Neither inspection at the Contractor's facilities nor testing shall constitute final acceptance of the materials. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- E. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
- F. Advertising and Promotion of Contract. The Contractor shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- G. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

4. Costs and Payments

- A. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- B. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destinations.
- C. Applicable Taxes.
1. Payment of Taxes by the State. The State shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting Contract.
 2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and



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regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4. IRS W9 Form. In order to receive payment under any resulting Contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.
5. Availability of Funds for the Next Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

5. Contract changes

- A. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- B. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract without the advance written approval of the Procurement Officer. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- C. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- A. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- B. General Indemnification. To the extent permitted by A.R.S. § 41-621 and § 35-154, the State of Arizona shall be indemnified and held harmless by the Contractor for its vicarious liability as a result of entering into this Contract. Each party to this Contract is responsible for its own negligence.
- C. Indemnification - Patent and Copyright. To the extent permitted by A.R.S. § 41-621 and § 35-154, the Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
- D. Force Majeure.
 1. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
 2. Force Majeure shall not include the following occurrences:
 - a) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - b) Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - c) Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.



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3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- E. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- A. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens.
- B. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
 1. Of a quality to pass without objection in the trade under the Contract description;
 2. Fit for the intended purposes for which the materials are used;
 3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 4. Adequately contained, packaged and marked as the Contract may require; and
 5. Conform to the written promises or affirmations of fact made by the Contractor.
- C. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- D. Inspection/Testing. The warranties set forth in subparagraphs A through C of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- E. Year 2000.
 1. Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
 2. Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- F. Exclusions. Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
- G. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.



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H. Survival of Rights and Obligations after Contract Expiration or Termination.

1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. **State's Contractual Remedies**

- A. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions.
- B. Stop Work Order.
 1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for a period of ninety (90) Days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
 2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- C. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- D. Nonconforming Tender. Materials supplied under this Contract shall fully comply with the Contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- E. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. **Contract Termination**

- A. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- B. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- C. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public



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procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

D. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

E. Termination for Default.

1. In addition to the rights reserved in the Uniform Terms and Conditions, the State reserves the right to terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

F. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.



Pricing Schedule

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- A. The Offeror shall provide a firm, fixed, all-inclusive hourly rate for each of the following job classifications for which the Offeror proposes to provide services as described in this solicitation. When determining the price for each category, the Offeror should consider that Contractors shall be used on an as-needed, if-needed basis, and that work assignment decisions will involve consideration of contract rates.

Market Conduct Insurance Examination Services

Associate Market Conduct Insurance Examiner _____ per hour
Market Conduct Insurance Examiner _____ per hour
Market Conduct Senior Insurance Examiner _____ per hour
Market Conduct Data Management Specialist _____ per hour

Health Care Services Organization (HCSO) Examination Services

Senior Registered Nurse _____ per hour
Registered Nurse _____ per hour
Utilization Review Nurse _____ per hour
Pharmacists _____ per hour
Physicians _____ per hour
HCSO Management/Administration _____ per hour

Prepaid Dental Plan Organization Examination Services

Dentist _____ per hour
PDPO Management/Administration _____ per hour

Timely Pay and Grievance Examination Services

Timely Pay and Grievance Examiner _____ per hour
Senior Timely Pay and Grievance Examiner _____ per hour

Other Services

Accountable Health Plan Actuary _____ per hour
Information Technology Specialist _____ per hour

- B. In the event the State exercises its option to renew the contract, the Offeror should designate in the spaces below a maximum percentage of price increase is may request for each renewal period. If the Offeror fails to complete this section, a rate increase will not be considered or approved by the State Agency. **The Offeror is cautioned that a rate increase is not automatically granted and approval is dependent upon documentation of need, specific areas of justification, and other factors impacting the State Agency. If a price increase is not requested or approved, the contract rate in effect prior to the renewal period will remain in effect for the contract renewal period. The Offeror is advised to carefully read item 18. Price Increase Consideration under the Special Terms and Conditions portion of this solicitation.**

1st Renewal Period ____% Maximum Increase

3rd Renewal Period ____% Maximum Increase

2nd Renewal Period ____% Maximum Increase

4th Renewal Period ____% Maximum Increase

(EXAMPLE only: \$1,000 Original Contract Price with the 1st Renewal Period @ 2.5%= \$1,025; 2nd Renewal Period @ 5% = \$1,050; 3rd Renewal Period @ 8%= \$1,080; and the 4th Renewal Period@ 10% = \$1,100)

Signature

Date



Exhibit A - Offeror's Experience

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INSTRUCTIONS: Using attachment, if necessary, answer the following questions or inquiries. Label your responses under "Offeror's Qualifications", and indicate the question or inquiry being referenced as it appears below.

A. Name of company/individual and type of business:

B. Address and telephone number:

C. Phoenix area address and telephone number if different from that listed for item B:

D. Number of years company/individual has provided this service: _____

E. For companies, provide an overview of the company that includes organizational structure, number and location of offices and number of employees at each location. Also indicate the extent and type of involvement in this Contract each location listed will have. Include an organization chart to show the lines of responsibility.

F. Briefly describe the company's/individual's experience, expertise and reliability in providing the requested services.

G. Provide a list of at least three (3) clients served within the past two (2) years for whom the Offeror's firm has provided similar services, and identify which are active accounts (see Exhibit C – Offeror's References). Include a brief description of services provided. These clients will serve as references; governmental and in-state references are preferred. Be sure to include business name, and the name and telephone number of a contact person.

H. If clients cannot be provided, provide the name, address and telephone number of three (3) individuals that can provide a reference check.

I. Indicate any special facilities, equipment or any other arrangements that may be useful to the Offeror's performance under this Contract.

J. The Offeror shall employ and assign an adequate number of people to this Contract to provide services at required levels. On an attachment, provide a listing of all positions that are proposed to be dedicated to this Contract (see Exhibit B). The listing should provide the amount of time, per week, this position requires, and a description of responsibilities each position entails. (For individual Offeror's, do not submit information for this paragraph.)

K. If the Offeror's firm is a division or subsidiary of another company, indicate below, the name and address of the parent company. Also include a description of the working relationship between this company and the parent company. Specify what impact, if any, this relationship would have on the company's ability to meet the requirements for services described herein.



Exhibit B - Personnel Qualifications

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INSTRUCTIONS: Complete a separate form for each person who will be proposed to fill the required positions as listed below. If attachments are used, indicate the item number and heading being referenced as it appears below. Attach to each form, the person's résumé, current job description and position(s) for which the person is proposed.

A. Name of Person: _____

B. Proposed position(s) for contract service: _____

C. Position(s) currently held in company: _____
(Not applicable to individual Offerors.)

D. Number of years with company: _____
(Not applicable to individual Offerors.)

E. Number of years experience providing
services being procured by this solicitation: _____

Describe any related job training: _____

F. Identify the primary function(s) of this
person in terms of providing services under this Contract: _____

G. Will this person be assigned to work under this Contract exclusively

YES	NO
?	ÿ

H. If this person will not be assigned to this
Contract exclusively, indicate the percentage of
Time this person will be assigned to this Contract: _____%



Exhibit D – Offeror’s Conflict of Interest Disclosure Form

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Offeror’s Name: _____

I acknowledge the following interest, directly or indirectly, other than as a policy holder or claimant under a policy, in any entities regulated under Title 20 (A.R.S. § 20-149):

AUTHORIZED SIGNATURE

DATE

-OR-

By my signature below, I certify that I do not have any financial interest, directly or indirectly, other than as a policy holder or claimant under a policy, in any entities regulated under Title 20 (A.R.S. § 20-149).

I also acknowledge that I understand my responsibility to immediately notify the State Agency in writing if any such financial interest, directly or indirectly, other than as a policy holder or claimant under a policy, in any entities regulated under Title 20 (A.R.S. § 20-149) develops in the future.

AUTHORIZED SIGNATURE

DATE

(Attach a separate sheet if additional space is needed.)



Attachment

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SOLE PROPRIETOR WAIVER

NOTE: THIS FORM APPLIES ONLY TO STATE OF ARIZONA AGENCIES, BOARDS, COMMISSIONS, UNIVERSITIES UTILIZING SOLE PROPRIETORS WITH NO EMPLOYEES, IF YOU ARE CONTRACTING WITH A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP OR SOLE PROPRIETORS WITH EMPLOYEES, THIS FORM DOES NOT APPLY.

The following is a written waiver under the compulsory Workers' Compensation laws of the State of Arizona, A.R.S. 23-901 (et.seq.), and specifically, A.R.S. 23-961(L), that provides that a Sole Proprietor may waive his/her rights to Workers' Compensation coverage and benefits.

I am a sole proprietor and I am doing business as _____ (name of Sole Proprietors Business). I am performing work as an independent contractor for the State of Arizona, _____, for workers' compensation purposes, and therefore, I am not entitled to workers' compensation benefits from the State of Arizona, _____.

I understand that if I have any employees working for me, I must maintain workers' compensation insurance on them.

Name of Sole Proprietor: _____
Social Security Number: _____ Telephone # _____
Street Address/P.O. Box: _____
City: _____ State: _____ Zip Code _____
Signature of
Sole Proprietor: _____ Date _____

Agency: _____ Agency # _____
Signature of Agency
Contract Administrator: _____ Date _____

Both signatures must be signed and the completed form submitted to the State of Arizona, Department of Administration, Risk Management Section, Insurance Unit, 100 N. 15th Avenue, Phoenix, Az 85007. An authorized Risk Management Representative will sign and return to the agency to be maintained in their records.

Signature of Risk Management Authorized Signer

Date



Certificate of Insurance

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Prior to commencing services under this contract, the contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

Name and Address of Insurance Agency:	Company Letter:	Companies Affording Coverage:
	A	
	B	
Name and Address of Insured:	C	
	D	

LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE		COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury and Property Damage Combined			Comprehensive General Liability Form Premises Operations Contractual Independent Contractors Products/Completed Operations Hazard Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above			Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum			Umbrella Liability		
Statutory Limits			Workmen's Compensation and Employer's Liability		
			Other		

State of Arizona and the Department named above are added as additional insureds as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

Name and Address of Certificate Holder:

Date Issued: _____

Authorized Representative

End of Solicitation AD030034 Document



Solicitation Amendment

SOLICITATION NO.: AD030034

AMENDMENT NO.: 1

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State Procurement Office

100 N. 15th Ave

Suite 104

Phoenix, AZ 85007-3223

SOLICITATION TITLE: **Market Conduct & Managed Care Examination Services**

SOLICITATION DUE: **TO BE DETERMINED** AT 3:00 P.M. MST

Proposal Opening: State Procurement Office
100 N. 15th Ave
Suite 104
Phoenix, AZ 85007-3223

Vendor: **Vendor Name**
Vendor Address 1
Vendor Address 2
Vendor City, Vendor State 00000 0000

Procurement Specialist: Mark Held

Contact: **Vendor Contact**

A SIGNED COPY OF THIS AMENDMENT SHALL BE RECEIVED AT THE ABOVE AGENCY LOCATION (PREFERABLY WITH THE SOLICITATION RESPONSE) PRIOR TO THE DUE DATE AND TIME. IT IS NECESSARY TO RETURN THIS FORM ONLY IF YOU ARE RESPONDING TO THE SOLICITATION. THIS SOLICITATION IS AMENDED AS FOLLOWS:

Telephone: 602 542-9134

1. THE FOLLOWING INFORMATION IS OFFERED TO ALL PROSPECTIVE OFFERORS AS IT RELATES TO THE ISSUES/CONCERNS/REQUESTS RAISED AT THE PRE-PROPOSAL CONFERENCE. ALL CHANGES/MODIFICATIONS/CORRECTIONS LISTED BELOW ARE APPROVED BY THE STATE AND ARE HEREBY INCORPORATED INTO THE SOLICITATION DOCUMENT. OFFERORS SHALL CONSIDER THIS AMENDMENT AS INTEGRAL PART OF THE ORIGINAL REQUEST FOR PROPOSAL DOCUMENT. ALL OFFERS SHALL COMPLY WITH THE REQUIREMENTS INCLUDED IN THIS AMENDMENT. A SIGNED COPY OF THIS DOCUMENT SHALL BE MADE PART OF THE PROPOSER'S RESPONSE.
2. ANY/ALL QUESTIONS OR CLARIFICATIONS REGARDING THE RFP DOCUMENT THAT WERE NOT DISCUSSED AT THE PRE-PROPOSAL CONFERENCE, MAY BE ASKED BY CONTACTING THE STATE PROCUREMENT OFFICE IN WRITING (IN THE FORM OF A LETTER, FAX OR E-MAIL) UNTIL NOVEMBER 15, 2002. QUESTIONS MAY BE DIRECTED TO MARK HELD BY E-MAIL: mark.held@ad.state.az.us OR FAX: (602) 542-5508.
3. THE PROPOSAL DUE DATE IS BEING EXTENDED. THE NEW DUE DATE WILL BE ANNOUNCED IN THE NEXT AMENDMENT. IT IS EXPECTED TO OCCUR DURING THE MONTH OF DECEMBER, 2002. **LATE PROPOSALS WILL NOT BE ACCEPTED.**

ALL OTHER PROVISIONS OF THE SOLICITATION SHALL REMAIN IN THEIR ENTIRETY.

VENDOR HEREBY ACKNOWLEDGES RECEIPT AND
UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED SOLICITATION
AMENDMENT IS ISSUED THIS DATE

Friday, November 8, 2002

SIGNATURE

DATE

TYPED NAME AND TITLE

Mark Held, Procurement Specialist
Procurement Specialist

End of Amendment 1 Document



Solicitation Amendment

SOLICITATION NO.: AD030034

AMENDMENT NO.: 2

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State Procurement Office

100 N. 15th Ave

Suite 104

Phoenix, AZ 85007-3223

SOLICITATION TITLE: **Market Conduct & Managed Care Examination Services**

SOLICITATION DUE: **January 08, 2003** AT 3:00 P.M. MST

Proposal Opening: State Procurement Office

100 N. 15th Ave

Suite 104

Phoenix, AZ 85007-3223

Vendor: **Vendor Name**

Vendor Address 1

Vendor Address 2

Vendor City, Vendor State 00000 0000

Procurement Specialist: Mark Held

Contact: **Vendor Contact**

A SIGNED COPY OF THIS AMENDMENT SHALL BE RECEIVED AT THE ABOVE AGENCY LOCATION (PREFERABLY WITH THE SOLICITATION RESPONSE) PRIOR TO THE DUE DATE AND TIME. IT IS NECESSARY TO RETURN THIS FORM ONLY IF YOU ARE RESPONDING TO THE SOLICITATION. THIS SOLICITATION IS AMENDED AS FOLLOWS:

Telephone: 602 542-9134

1. THE FOLLOWING INFORMATION IS OFFERED TO ALL PROSPECTIVE OFFERORS AS IT RELATES TO THE ISSUES/CONCERNS/REQUESTS RAISED AT THE PRE-PROPOSAL CONFERENCE. ALL CHANGES/MODIFICATIONS/CORRECTIONS LISTED BELOW ARE APPROVED BY THE STATE AND ARE HEREBY INCORPORATED INTO THE SOLICITATION DOCUMENT. OFFERORS SHALL CONSIDER THIS AMENDMENT AS INTEGRAL PART OF THE ORIGINAL REQUEST FOR PROPOSAL DOCUMENT. ALL OFFERS SHALL COMPLY WITH THE REQUIREMENTS INCLUDED IN THIS AMENDMENT. A SIGNED COPY OF THIS DOCUMENT SHALL BE MADE PART OF THE PROPOSER'S RESPONSE.
2. ANY/ALL QUESTIONS OR CLARIFICATIONS REGARDING THE RFP DOCUMENT THAT WERE NOT DISCUSSED AT THE PRE-PROPOSAL CONFERENCE, MAY BE ASKED BY CONTACTING THE STATE PROCUREMENT OFFICE IN WRITING (IN THE FORM OF A LETTER, FAX OR E-MAIL) FORTY-EIGHT (48) HOURS PRIOR TO THE OPENING OF PROPOSALS. QUESTIONS MAY BE DIRECTED TO MARK HELD BY E-MAIL: mark.held@ad.state.az.us OR FAX: (602) 542-5508.
3. **THE PROPOSAL DUE DATE IS BEING EXTENDED UNTIL JANUARY 8, 2002 AT 3:00 P.M. MST. LATE PROPOSALS WILL NOT BE ACCEPTED.**
4. **ADD THE FOLLOWING TO THE SPECIAL TERMS AND CONDITIONS, Page 28, Paragraph 2 (Cont.)**
 - 9.1.1 As it relates to the requirement for a business automobile liability insurance policy, "required coverage period" shall commence when an individual of a contractor leaves his/her residence to travel to an examination site and shall end when the individual returns to his/her residence from an examination site.

ALL OTHER PROVISIONS OF THE SOLICITATION SHALL REMAIN IN THEIR ENTIRETY.

VENDOR HEREBY ACKNOWLEDGES RECEIPT AND
UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED SOLICITATION
AMENDMENT IS ISSUED THIS DATE

Thursday, December 5, 2002

SIGNATURE

DATE

TYPED NAME AND TITLE

Mark Held, Procurement Specialist

Procurement Specialist



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State Procurement Office

100 N. 15th Ave

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Phoenix, AZ 85007-3223

5. **ADD THE FOLLOWING TO THE SPECIAL TERMS AND CONDITIONS, Page 29, Paragraph 2**

OTHER INSURANCE/SELF INSURANCE

10.1 With respect to contract examiners performing within the scope of services of any contracts resulting from this solicitation (AD030034), the State of Arizona/Risk Management Section extends coverage per A.R.S. 41-621 as follows:

General and Professional Liability on a primary basis, except for contractors who maintain General/Professional Liability insurance policies. In that case, Risk Management provides excess coverage.

This coverage shall not extend to Workers Compensation/Employers Liability, nor Automobile Liability, nor extend to any acts outside the course and scope of services as defined in Solicitation AD030034.

6. **Scope of Work, Page 5, Paragraph 1.17.3** is amended to read,

1.17.3 that will require at least one overnight stay; and, if applicable, either Paragraph 1.17.4 or Paragraph 1.17.5;

7. **Scope of Work, Page 5, Paragraph 2.1** is appended by the following sentence:

For a vendor who is contracted to provide services under contract AD000183 and who is also contracted to provide services under this contract, the State Agency shall determine, on an assignment-by-assignment basis, the contract that shall apply.

8. **Scope of Work, Page 10, Paragraph 4.5.1.3** is amended to read,

4.5.1.3 The time and expense of preparing and submitting detailed compensation and expense reports is considered to be part of the Contractor's overhead cost and shall not be charged to the State Agency.

9. **Scope of Work Page, 10, Paragraph 4.5.3.3** is appended by the following sentence:

A contractor shall not be eligible to be reimbursed for airfare until after the individual completes the first leg of travel.

10. **Scope of Work, Page 14, Paragraph 5.1.3.7.6** change the date to 1/1/06.

11. **Special Instructions to Offerors, Page 22, Paragraph 6.5.6** is modified to read,

6.5.6 The Offeror's ability to prepare and furnish comprehensive reports.



Solicitation Amendment

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QUESTIONS TO SOLICITATION: AD030034

4.5.1.4 An individual assigned as an examiner-in-charge shall be entitled to charge 120% of the Contractor's per hour rate for the category of service that the State Agency has designated be used.

Question: If you're a Senior Examiner and the Examiner-in Charge (EIC) is off for one or two weeks, does the Senior Examiner get the pay for the EIC (Senior Examiner meeting all the qualifications)? If not why?

Answer: *If the Department believes an EIC must be present during that period of time, the Department will designate an alternate as the EIC. If the Department does not believe an EIC must be present during the absence of the originally appointed EIC, the Department will not appoint an alternate. The Department's decision whether to appoint an alternate EIC will depend on the circumstances as they exist for each case.*

Question: What additional duties will the EIC have to perform to warrant the 20% increase?

Answer: *The additional duties of the EIC are described in the Scope of Work section of each RFP. For Solicitation AD030034, the information is in the definition provided in Paragraph 1.9 as well as the second part of Paragraph 5. For Solicitation AD030035, the information is in the definition provided in Paragraph 2.8 as well as the second part of Paragraph 7.*

Question: Why not keep the 10% travel status and the time travel the same from the current contract (AD000183) for all Examiners and decrease the EIC percentage?

Answer: *There is no relationship between the proposed compensation rate for EICs pursuant to this RFP and the travel rate allowed under the current contract (AD000183). The EIC rate adjustment is based on NAIC examiner compensation standards. The travel rate for out-of-state work was eliminated solely to reduce administrative effort. The Department believes that a majority of work under this contract will be conducted out of state and expects offerors to bid a competitive rate regardless of the location where work is to be performed.*

Question: 4.5.2.2 When traveling by air, a Contractor shall be paid for the actual time during which an individual traveled, subject to a maximum of 10 hours. Reimbursable travel time begins one hour prior to scheduled flight departure:

- A. Unfortunately no one know what tomorrow will bring with all the uncertainty about war and more threats and what it will mean to the airline industry or for those of us who have to fly to the exam site.
- Waiting in line for 15 minutes or more to check-in
 - Being subject to bags searched, then having to re-pack your bags because the security person doing the search only unpacks your (3) bags
 - Then you have to rush through security and go through another search
 - Hope to have time to buy your own lunch (airlines do not provide meal service) along with the other hundreds of persons doing the same.
- One hour might not be enough time.

Answer: *The Department believes that typical private and public sector travel reimbursement policies rarely reimburse individuals for travel time. The Department acknowledges and expects that offerors understand that significant travel is required for performance under this contract and that they may be occasionally inconvenienced while traveling to and from the examination sites. Offerors should make competitive bids with consideration to this requirement.*



Solicitation Amendment

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Question: The RFP for AD030034 states that the agency will reimburse costs for a flight to the exam site and returning from the exam sight (section 4.5.2.1), and requires that round trip tickets with 14 day-advance restricted fares be purchased (section 4.5.3.2). The "to" the exam site and "from" the exam site flights will in many cases be more than one month apart. The problem is that Delta and American Airlines (and presumably most other carriers) will not usually issue a restricted fare ticket with a return date exceeding 31 days from the outbound flight. Delta will not issue any restricted fare exceeding 31 days. American Airlines has 30+ day restricted fares available, but only to certain cities.

Answer: *No change will be made to either RFP. The Department will pay for one round-trip ticket by air during the course of an examination.*

Question: Why do these solicitations not pay for round-trip tickets every two weeks, like contract AD000183 does?

Answer: *The new solicitations provide for paying a lodging expense allowance and a living expense allowance for every day an examiner is in travel status and works a minimum of 36 hours. Nothing precludes an examiner from using their allowances to pay for air travel (in lieu of paying for lodging and living expenses). For example, a person whose examination site is Chicago, IL, would be paid a daily living expense allowance of \$75.00 (150% X the \$50.00 GSA M&I rate) and would be paid a daily lodging allowance of \$155. If an examiner decided to fly home over a weekend, the examiner could presumably save \$230 per day in expenses, or \$460 over a two-day weekend. With adequate notice given to an airline, an examiner should be able to expect to be able to obtain round-trip airfare for less than \$460 for air travel. Additionally, nothing would preclude an examiner from completing the 36 hours of work during a four-day period, making available a three-day weekend, or in the above example, \$690, with which to travel.*

Question: Shouldn't the time for which an examiner is paid during air travel to and from an examination site begin two hours prior to flight departure, given the actual amount of time in advance of flight departure airlines expect travelers to arrive to the airport?

Answer: *No change will be made to the solicitation regarding this issue. An individual's time while waiting in line in an airport terminal is less valuable to an examinee than the time during which an individual is performing examination work. Although many contracts only pay a vendor for time actually worked at a job site, this contract permits a contractor to also be compensated for most of the time while traveling.*

Question: Shouldn't an individual be paid the premium for serving as an examiner in charge even on engagements that only involve one individual?

Answer: *No change will be made to the solicitation regarding this issue. Examinations performed with only one individual are typically limited in scope or complexity.*

Question: When will the contracts for Solicitation ADO30034 be awarded?

Answer: *It is anticipated that contracts for this solicitation will be awarded during the month of January 2003.*

DEFINITIONS:

"Amend" means *"substituting something else in the place of what is removed; to correct."*

"Append" means *"to add as a supplement."*

"Modify" means *"to change."*

End of Amendment 2 Document